

## Provider Services and Claims Processing – Pharmacy Services Facts and Updates

**Hints in use:** These facts and updates will be amended as information is available. They are presented in a document that can be read with Adobe Reader. Using the Edit/Find function of Adobe Reader, you may search by topic if you are looking for a specific item.

### **PCN - Most Common Error**

The most common pharmacy claims processing error is in the use of the PCN with Medicare eligibles. You must use the same PCN whether you are billing us as the primary payer or as the secondary payer. The correct PCNs are as follows:

- VTD: Any Vermont program eligible with Medicare coverage
- VTM: Any Vermont program eligible without Medicare coverage

### **Custom Program Messaging**

In an effort to help pharmacies to better know / understand a member's program eligibility, custom messages have been added to MedMetrics' claim processing responses. The following message will appear when a claim is processed for a member in the respective program. This message will appear regardless of how the claim processes (i.e., pays or rejects) and will appear after specific messaging that refers to the cause of a reject.

MEDICAID/DR.DYNASAUR	"Medicaid coverage"
VHAP	"VHAP coverage"
VSCRIPT	"Maintenance List Applies"
VSCRIPT EXPANDED	"Ltd Maintenance List Applies"

Additionally, once VPharm is operational again, the following messages will appear:

VPHARM 1 (VPHARM/VHAP)	"Part D VHAP Wrap"
VPHARM 2 (VPHARM/VSCRIPT)	"Part D Maint Only Wrap"
VPHARM 3 (VPHARM/VSCRIPT EXP)	"Part D Ltd Maint Wrap"

### **Early refill overrides**

Pharmacies may now override claim rejections for early refill. To override this edit:

1. Enter the appropriate Submission Clarification Code (see below for acceptable options.)
2. In the Prior Authorization (PA) type field enter "01".
3. In the PA number field enter "4". (*Depending on your software you may need to add up to ten leading or trailing zeros in the PA type field.*)

#### Submission Clarification Code / Description

00/ not specified	Not acceptable for early refill override
01/ no override	Not acceptable for early refill override
02/ other override	Not acceptable for early refill override
03/ vacation supply	Acceptable; use for vacations and LTC leave of absence

04/ lost prescription	Acceptable
05/ therapy	Acceptable; use when prescriber changes dose
06/ starter dose	Acceptable
07/ medically necessary	Acceptable

### **PDL Updates 2/1/06**

The PDL has been updated as of 2/1/06. Several new products have been added to the Preferred Drug List including: Namenda, ActoPlusMet, Zofran, Teveten, Benicar, Imitrex, Geodon, Avodart, Tricor, Triglide, Betaseron, Patanol, Alamast, Fosamax, Ditropan XL, Vesicare, Asmanex and Lunesta.

Products which are no longer preferred effective 2/1/06 include: Nexium, Detrol LA, Kytril, Metadate CD, Ritalin-LA, Focalin (IR), Dynacirc/CR, Zomig, Uroxatral, Altoprev, Zaditor, Azopt, and Aggrenox. For new patient starts, all of these agents will need prior authorization. Grandfathering rules have been established for existing patients on many of these medications, however current Detrol-LA and Nexium users will only be grandfathered for a limited time period. Always refer to the Preferred Drug List and Drugs that Require PA web page at [www.ovha.state.vt.us/Preferred\\_drugs.cfm](http://www.ovha.state.vt.us/Preferred_drugs.cfm) for the most recent PDL and criteria for PAs.

### **Exceptions to VScript Maintenance List**

The V-Script drug program provides coverage for prescription medications (and limited OTCs) which are considered maintenance therapies. If a claim denies for a drug because it is not on the VScript Maintenance List at [www.ovha.state.vt.us/docs/2005-12-15-Prescriber\\_Maint\\_List\\_Final.pdf](http://www.ovha.state.vt.us/docs/2005-12-15-Prescriber_Maint_List_Final.pdf), and you believe that the drug product (or drug class) should be covered for all V-Script patients because it is more often than not utilized for chronic maintenance purposes, you can call the Clinical Call Center at 800-918-7549 with your recommendations. Please note however that the narcotic class of agents, both long-acting and short-acting agents, is not considered by OVHA to be a maintenance drug category.

If a claim denies for a V-Script member because the drug is not on the V-Script maintenance list, and its use for this individual patient will be for maintenance purposes, then please advise the patient to contact their physician to request a PA.

### **Compound Pricing**

As of 1/1/06 billing compound claims on a pseudo NDC were no longer acceptable. Compound claims, as of 1/1/06, were being paid based on the standard discounted rate for all product components and the standard dispensing fee. Pharmacies compounding drugs requested a review of this policy.

A poll of states resulted in 23 responses. Twenty reimburse as we were reimbursing. The other three pay a modest additional compounding fee. We have reviewed a sample of claims provided by two compounding pharmacies.

We have decided to amend the reimbursement methodology as follows for compounded drugs for dates of service beginning 1/1/06:

- All ingredients utilized within a compound must be billed by NDC using updated NCPDP submission standards to allow for utilization review and to assure access to available rebates.
- Reimbursement for ingredients is limited to those products for which manufacturers pay rebates: in the case of Medicaid, VHAP, VHAP Pharmacy, or VScript - standard OBRA'90 Medicaid rebates; in the case of VScript Expanded - Vermont only rebates.
- Ingredients will be priced at the lesser of AWP - 11.9%, the MAC, or the FUL.
- The compounding fee will be \$5.25 paid in addition to the dispensing fee.
- The ingredients' costs will be totaled and priced at the lesser of the calculated cost or the claim's U&C cost.
- Containers other than syringes are included in the dispensing fee.
- Syringes must be billed as part of the compound claim. These are not subject to a dispensing fee in addition to the compounding fee and the claim's dispensing fee.

This change is in place. If you have submitted and been paid for a compounded claim since 1/1/06, reverse and resubmit it to obtain this reimbursement.

### **Antiviral Agents: Tamiflu and Relenza**

In light of the CDC influenza antiviral drug guidelines and recommendations issued on January 14, 2006, OVHA has temporarily waived its prior authorization requirements regarding the use of these drugs. The CDC notes that the strain of influenza currently circulating has developed resistance to amantadine and rimantadine. Tamiflu and Relenza coverage will however remain limited to a single 5-day course of therapy per patient per 180 days. Requests for greater than this amount will require PA.